

Notice of the Ministry of Communications on Further Opening the Investment Field of Road Transport to Foreign Investors

(No.551 [2002] of the Ministry of Communications)

The departments (bureaus, committees) of communications of the provinces, autonomous regions and municipalities directly under the Central Government:

In accordance with the relevant commitments of China for the accession to the World Trade Organization (WTO) and the Regulations on Foreign Investment in Road Transport Industry (Order of the Ministry of Communications of the People's Republic of China and the Ministry of Foreign Trade and Economic Cooperation, No.9 of 2001), the relevant issues concerning the further opening of the investment field of road transport to foreign investors are hereby notified as follows:

1. From December 1, 2002, upon the approval for projects by the Ministry of Communications, companies, enterprises, other economic organizations or individuals of foreign countries, and those of Hong Kong, Macao and Taiwan areas (hereinafter referred to as foreign investors) will be allowed to, jointly with companies, enterprises or other economic organizations of China, establish Chinese-foreign equity joint road transport enterprises, in which the foreign investors are in the holding position, in the road transport fields such as road goods transport, road goods convey, loading and unloading, road goods storage and other auxiliary services and vehicle maintenance etc that relate to road transport, by taking the form of Chinese-foreign equity joint ventures, among which the ratio of foreign investment may reach 75%.
2. The proportion of foreign investment is allowed to increase for joint-ventured comprehensive road transportation enterprises covering the businesses of container transportation, refrigerated and insulated goods transportation, multimodal cargo transportation, express delivery, logistic distribution, automobile leasing, and auto-comprehensive function measuring, joint-ventured road transportation enterprises which build infrastructures for the transportation of goods and logistics, and joint-ventured road transportation enterprises which cooperatively run the businesses as mentioned in item 1 of the Notice with western transportation enterprises.
3. Foreign invested enterprises in China is allowed to establish joint-ventured transportation enterprise with western transportation enterprises after the approval of the Ministry of Transportation. The proportion of foreign investment in the newly established enterprise with foreign investment should be no less than 25%.

The project setting-up and other related issues concerning the road transportation enterprises with foreign investment are still implemented according to the Provisions on the Administration of Road Transport Services with Foreign Investment.

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